

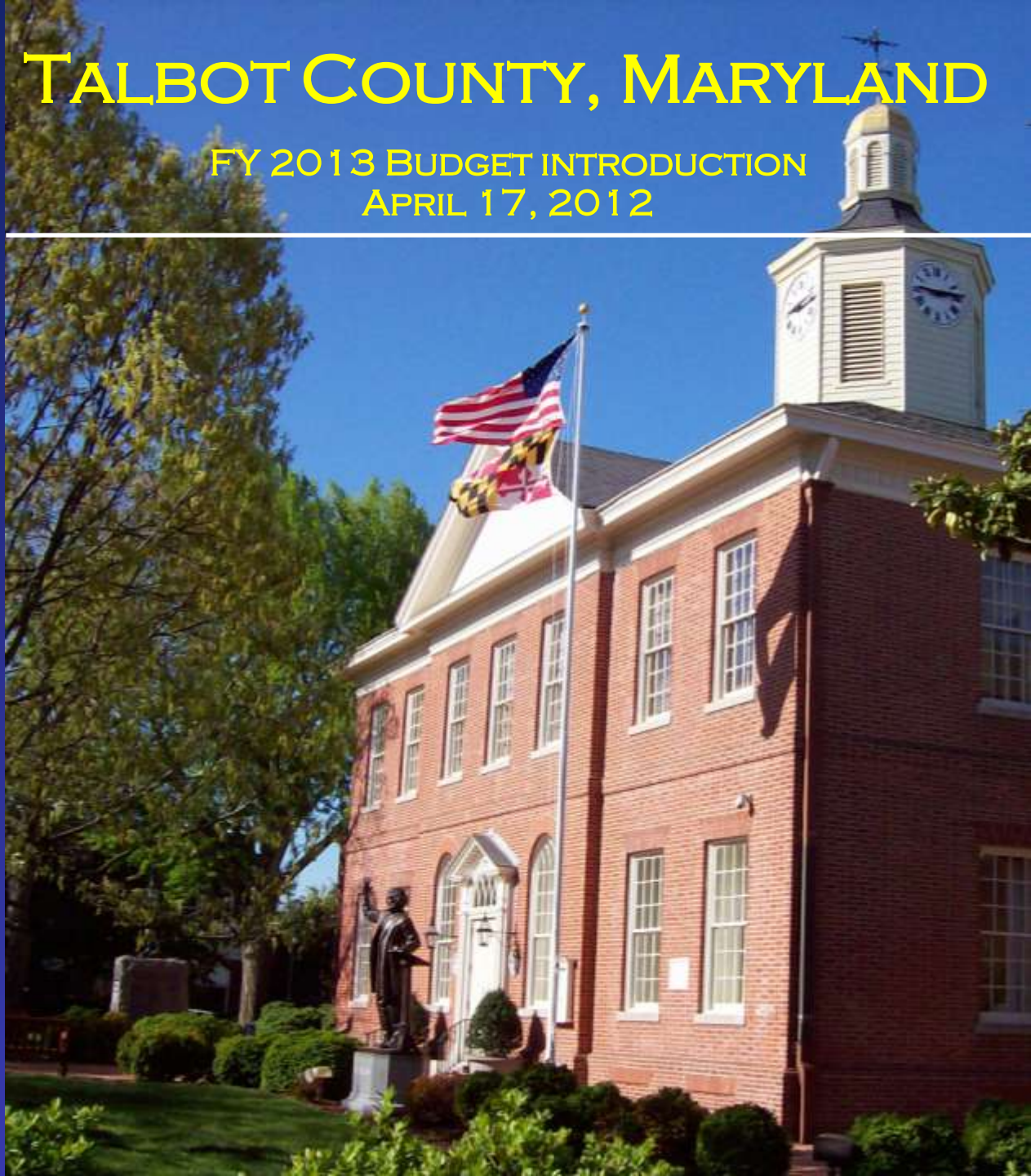


# TALBOT COUNTY, MARYLAND

FY 2013 BUDGET INTRODUCTION  
APRIL 17, 2012

FY 2013  
General Fund Budget

\$69,471,600





# BACKDROP OF BUDGET

FY 2013 BUDGET AS INTRODUCED

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These are very trying economic times. Crafting the FY 2013 budget has been difficult, challenging and onerous. Cuts have been made to many areas long considered off-limits, while funding increases to other services have been mandated for the County by the State.



# BACKDROP OF BUDGET

FY 2013 BUDGET AS INTRODUCED

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- FY 2008 Actual = \$ 81,295,633
- FY 2009 Actual = \$ 79,189,695
- FY 2010 Actual = \$ 70,263,772
- FY 2011 Actual = \$ 70,566,222
- FY 2012 Budget = \$ 65,945,000
- FY 2013 Budget = \$ 69,471,600





# REVENUES

## FY 2013 BUDGET AS INTRODUCED

	<u>FY 2012 Budgeted</u>	<u>FY 2013 Proposed</u>	<u>Change</u>
Property Taxes	\$ 29,713,500	\$ 32,391,000	↑ 9.0%
Income Taxes	\$ 19,000,000	\$ 21,635,000	↑ 13.9%
Other Local Taxes	\$ 9,938,000	\$ 7,698,000	↓ - 22.5%
State / Federal Grants	\$ 1,418,185	\$ 1,305,175	↓ - 8.0%
Interest Income	\$ 600,000	\$ 100,000	↓ - 83.3%
Transfer from Other Funds	\$ 1,000,000	\$ 1,662,000	↑ 66.2%
Prior Year's Fund Balance	\$ 1,350,000	\$ 1,487,600	↑ 10.2%
Other Operating Revenues	\$ 2,925,315	\$ 3,192,825	↑ 9.1%
<b>Totals</b>	<b>\$ 65,945,000</b>	<b>\$ 69,471,600</b>	<b>↑ \$ 3.5M</b>



# MAINTENANCE OF EFFORT

FY 2013 BUDGET AS INTRODUCED

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- Senate Bill 848 – *Maintenance of Effort* Bill (*PASSED*)
- REQUIRES Counties to fund *Maintenance of Effort* (MOE)
- ASSURES Counties fund MOE or are penalized by having the State forward local County income tax funds directly to Boards of Education
- AUTHORIZES Charter Counties to increase property tax revenues over Charter limits to fund education ONLY
- **For Talbot County = \$1,928,545**



# TEACHER PENSION SHIFT

FY 2013 BUDGET AS INTRODUCED

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- Senate Bill 152 – *Budget Reconciliation and Financing Act* (BRFA) Bill (*DID NOT PASS*)
- TRANSFERS a portion of costs for Board of Education pension expenses to the County budget. The County believes it will pass this year.
- PHASES-IN costs over 4 years to total of \$1.2m (*and then?*)
- **For Talbot County = \$628,456**



# PROPERTY TAX CAP

FY 2013 BUDGET AS INTRODUCED

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In order to fund State mandated Board of Education expenses, the Talbot County Council is proposing to override the property tax cap. This is authorized by State law in order to fund Board of Education expenses *only*. This budget proposes to override the tax cap by **\$1,928,545**, the amount above last year's Board of Education funding to meet the MOE level.



# PROPERTY TAX RATES

FY 2013 BUDGET AS INTRODUCED

## County Property Tax Rates – 2012

<u>County</u>	<u>Rate</u>	<u>County</u>	<u>Rate</u>
Baltimore City	\$2.268	Cecil	\$0.940
Baltimore	\$1.100	Frederick	\$0.936
Charles	\$1.067	Anne Arundel	\$0.910
Harford	\$1.042	Calvert	\$0.892
Carroll	\$1.028	Somerset	\$0.884
Kent	\$1.022	Caroline	\$0.870
Howard	\$1.014	St. Mary's	\$0.857
Garrett	\$0.990	Queen Anne's	\$0.847
Allegany	\$0.982	Wicomico	\$0.769
Dorchester	\$0.976	Montgomery	\$0.713
Prince George's	\$0.960	Worcester	\$0.700
Washington	\$0.948	<b>Talbot *</b>	<b>\$0.491</b> <i>(up from 0.448)</i>

*\*FY 2013 Proposed*





# INCOME TAX RATES

FY 2013 BUDGET AS INTRODUCED

## County Income Tax Rates – 2012 (3.20% Max)

<u>County</u>	<u>Rate</u>	<u>County</u>	<u>Rate</u>
Baltimore City	3.20 %	Charles	2.90 %
Howard	3.20 %	Kent	2.85 %
Montgomery	3.20 %	Baltimore Co	2.83 %
Prince George's	3.20 %	Calvert	2.80 %
Queen Anne's	3.20 %	Cecil	2.80 %
Somerset	3.15 %	Washington	2.80 %
Wicomico	3.10 %	Garrett	2.65 %
Harford	3.06 %	Dorchester	2.62 %
Allegany	3.05 %	Caroline	2.63 %
Carroll	3.05 %	Anne Arundel	2.49 %
St. Mary's	3.00 %	<b>Talbot *</b>	<b>2.40 %</b> (up from 2.25%)
Frederick	2.96 %	Worcester	1.25 %

\*FY 2013 Proposed



# IMPACT OF TAX INCREASES

FY 2013 BUDGET AS INTRODUCED

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## Property tax cap override (.026) effect on:

	<i>Annually</i>	<i>Quarterly</i>	<i>Monthly</i>
\$ 100,000 Home	\$ 26.00	\$ 6.50	\$ 2.16
\$ 250,000 Home	\$ 65.00	\$ 16.25	\$ 5.41
\$ 400,000 Home	\$ 104.00	\$ 26.00	\$ 8.66
\$ 1,000,000 Home	\$ 260.00	\$ 65.00	\$ 21.66

## Income tax increase (2.25% → 2.40%) effect on:

	<i>Annually</i>	<i>Quarterly</i>	<i>Monthly</i>
\$ 50,000 household AGI	\$ 75.00	\$ 18.75	\$ 6.25
\$ 100,000 household AGI	\$ 150.00	\$ 37.50	\$ 12.50
\$ 250,000 household AGI	\$ 375.00	\$ 93.75	\$ 31.25
\$1,000,000 household AGI	\$ 1,500.00	\$ 375.00	\$ 125.00



# EXPENDITURES

FY 2013 BUDGET AS INTRODUCED

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	<u>FY 2012 Budget</u>	<u>FY 2013 Proposed</u>	<u>Change</u>
Public Schools Operations	\$ 32,403,006	\$ 34,960,007	↑ 7.9%
Public Safety Operations	\$ 10,486,970	\$ 11,117,958	↑ 6.0%
Other County Operations	\$ 22,395,531	\$ 22,821,434	↑ 1.9%
Transfers to Other Funds	\$ 659,493	\$ 572,201	↓ - 13.2%
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<b>Totals</b>	<b>\$65,945,000</b>	<b>\$69,471,600</b>	<b>↑ 5.3%</b>



# EXPENDITURES

FY 2013 BUDGET AS INTRODUCED

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Funding has been reduced for vital County services:

- Animal Control
- Economic Development
- Libraries
- Parks & Recreation
- Public Works
- Tourism
- Volunteer Fire Companies
- other Community Organizations





# EXPENDITURES

FY 2013 BUDGET AS INTRODUCED

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In addition to increased funding for the Talbot County Board of Education of \$2.55 million, expenditures have been increased in a few key areas:

- Capital Improvements (\$755,000 – vehicles, IT)
- Public Safety (\$173,000 – deputies, fuel, etc.)
- Roads (\$257,000 – road maintenance)



# FUND BALANCE

FY 2013 BUDGET AS INTRODUCED

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<b>General Fund Balance as of June 30, 2011</b>	<b>\$24.0 million</b>
FY 2012 Appropriation/Other Obligated Funds	<i>-1.4 million</i>
Retiree Health Obligation (OPEB)	<i>-7.0 million</i>
Emergency Reserve ("Rainy Day")	<i>-10.4 million</i>
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<b>Discretionary Balance</b>	<b>\$5.2 million</b>
Needed to Balance FY 2013 Budget	<i>-1.5 million</i>
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<b>Remaining Balance for FY 2014 &amp; Beyond</b>	<b>\$3.7 million</b>



# BUDGET AS INTRODUCED - RECAP

FY 2013 BUDGET AS INTRODUCED

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- The drastic cuts of the past 3 years have taken their toll
- The State Government has shifted significant funding burdens onto County governments.
- This budget includes mandated expenditures for the Board of Education and increases for key priority areas, (i.e. public safety, roads) in order to sustain operations
- More detailed discussion will be provided at the two public hearings on the Budget on Tuesday May 1<sup>st</sup>





# TALBOT COUNTY, MARYLAND

FY 2013 BUDGET INTRODUCTION

APRIL 17, 2012



For more information on the

FY 2013 Proposed Budget  
(Bill No. 1217)

Visit Our Website:

[www.talbotcountymd.gov](http://www.talbotcountymd.gov)